

ROUTING AND RECORD SHEET

SUBJECT: (Optional) MOU on the Thrift Savings Plan

FROM

C/RIB
906 Ames

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DD/EBS

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Attached for your signature is a letter to Francis Cavanaugh, Executive Director of the Federal Retirement Thrift Investment Board transmitting an MOU dealing with our administration of Thrift accounts for [redacted] is not mentioned by name in the memo, but it is understood at the Thrift Board that the DOD element described in the MOU is [redacted]

The MOU is also attached for your signature on behalf of the DCI. Mr. Cavanaugh will sign for the Thrift Board.

There will be additional MOUs with the Thrift Board covering things we will be doing and specific administrative procedures once all of these have been worked out.

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Central Intelligence Agency



Washington, D. C. 20505

Francis X. Cavanaugh
Executive Director,
Federal Retirement Thrift Investment Board
805 15th St., N.W.
Washington, D.C. 20005

Dear Mr. Cavanaugh:

I am forwarding for your review a Memorandum of Understanding (MOU) between our agencies. The MOU formalizes understandings which have been in effect regarding Thrift Savings Plan (TSP) functions that the Central Intelligence Agency (CIA) will administer under the FERS Act of 1986. The MOU, worked out by members of our respective staffs, awaits your signature to become effective. I have already signed the MOU on behalf of the Director of Central Intelligence.

Once approved, this MOU will become the vehicle by which the CIA will provide TSP support to certain employees of an intelligence element of the Department of Defense. Additional MOU's will be prepared to address specific aspects of our internal administration of the TSP program on behalf of CIA employees. These supplemental MOUs will address activities, such as the transfer of funds between our organizations, the manner in which audits will occur, and the purchase of annuities for our employees.

I appreciate the support that your staff members have provided to our Retirement Investments Branch as we have begun the process of administering the Thrift Savings Plan for our employees. The past year has been a learning experience for us and we are still trying to determine in some areas the best way to protect the identities of our employees. We will continue to seek the advice and assistance of your staff members in this new endeavor.

If you or your staff have any questions about the MOU, please contact

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Sincerely,

Hugh E. Price
Director of Personnel

SUBJECT: CIA ADMINISTRATION OF THE THRIFT SAVINGS PLAN

MEMORANDUM OF UNDERSTANDING

I. Purpose

A. This memorandum formalizes existing understandings between the Executive Director, Federal Retirement Thrift Investment Board (FRTIB), and the Director of Personnel, Central Intelligence Agency (CIA), regarding the administration of the Thrift Savings Plan (TSP) with respect to:

- 1) employees of the CIA; and,
- 2) for the duration of their assignment, certain civilian employees of an intelligence element of the Department of Defense jointly assigned with CIA employees to a specific intelligence activity of such national security sensitivity that identities of such assignees must be protected from unauthorized disclosure.

B. It is understood that application of this memorandum to non-CIA employees is limited solely to that group of employees of the specific element of the Department of Defense as identified in discussions between FRTIB and CIA.

Should it be determined in the future that similar circumstances apply to other non-CIA employees involved in sensitive covert activities with the CIA, separate and independent agreements and memoranda of understanding will be executed in each instance.

II. Scope of Agreement between CIA and the FRTIB

A. General Functions and Duties to be Assumed by the CIA

1) This memorandum reaffirms that the Director of Central Intelligence (DCI) has elected to exercise his authority, effective 1 January 1987, to administer all TSP functions, not specifically excluded by law, as applicable to CIA employees and their beneficiaries. In carrying out such functions, CIA will comply with all applicable provisions of the Federal Employees Retirement System (FERS) Act of 1986 or other laws, and such fiduciary responsibilities as may be imposed on CIA by such Act or laws.

2) By delegation of authority from the Executive Director of the FRTIB under provisions of the FERS Act of 1986, and consistent with the authorities and responsibilities of the DCI under Title 50 USC to protect the identities of certain United States intelligence personnel, CIA will administer, according to the same processes and procedures applicable to CIA employees, TSP functions not excluded by

law relative to those specific non-CIA employees referred to in paragraph IA 2) above.

3) The CIA will develop Memoranda of Understanding with the employing agency of such non-CIA employees concerning the administration of TSP functions.

4) CIA will consult with FRTIB should circumstances require substantial revision of the CIA Retirement and Disability System, the Civil Service Retirement System and FERS retirement regulations and/or procedures involving TSP matters.

5) In the event that the DCI determines that it is no longer appropriate to internally administer specific TSP functions, the employing agency of affected non-CIA employees and the FRTIB will be given sufficient advance notice of such action so as to provide adequate time for such agency and the FRTIB to assume responsibility for administering such functions and responsibilities.

B. General Functions and Services to be Performed by FRTIB

1) The FRTIB shall furnish such information and, on a reimbursable basis, such services as CIA requests to carry out those functions and duties determined by the DCI following consultation with the Executive Director of the FRTIB, to be performed by the CIA.

2) The CIA will conduct periodic internal inspections and audits of its TSP accounts and disbursements under its jurisdiction. In a manner consistent with the Director of Central Intelligence's responsibility to protect identities, intelligence sources, methods, activities, and sensitive intelligence data, internal CIA inspection and audit reports concerning TSP accounts and disbursements will be subject to review by FRTIB personnel who have appropriate program responsibilities and security clearances.

3) Subject to such security requirements, including the requirement for certification of clearances, CIA will permit appropriately delimited review within the FRTIB of a specified TSP procedure being used by CIA to the extent necessary for the FRTIB to satisfy any fiduciary duty retained by the FRTIB and not allocated or shared by CIA with respect to that specified procedure.

III. Establishment of Inter-Agency Implementation Procedures

A. Operating agreements and procedures developed jointly between CIA and FRTIB officials currently in effect to implement the DCI's administration of TSP functions will continue under this Memorandum of Understanding.

B. The establishment of new procedures, and the modification or revision of existing operating procedures, will be jointly developed by appropriate officials of CIA and FRTIB as requirements dictate.

The functions which may be involved include, but are not limited to:

- 1) Maintenance of individual employee TSP account records.
- 2) Transmission of employee and Agency contributions to the FRTIB.
- 3) Maintenance of a control system for employee TSP account balances reconcilable with corresponding controls at FRTIB.
- 4) Accounting for disbursements from, and allocations of earnings, losses, and charges to, individual employee TSP accounts.

IV. Supplemental Memoranda of Understanding

Separate Supplemental Memoranda of Understanding consistent with the contact and scope of this basic Memorandum may be developed to address specific, joint operating procedures and responsibilities relative to administration of the TSP and other topics of particular significance where elaboration or clarification is needed.

V. Duration of Memorandum of Understanding

This memorandum will continue in effect until terminated by either signatory giving written notice to the other Agency or through mutual agreement that a formal Memorandum of Understanding is no longer necessary.

Approved for the Federal Retirement Thrift Investment Board this ____ day
of _____ 1988.

Executive Director
Federal Retirement Thrift Investment Board

Approved for the Central Intelligence Agency this ____ day
of _____ 1988.

Director of Personnel
Central Intelligence Agency

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FORM NO.
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REPLACES FORM 36-8
WHICH MAY BE USED

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